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Georgia—Rural Business Service

Capital Markets



Atlanta Gear Works Inc.— Fills Niche Market for the Southeast U.S.

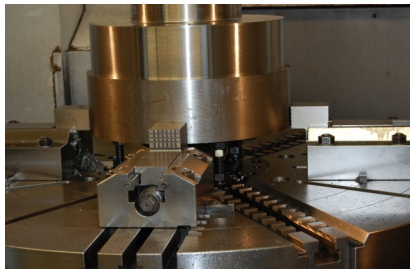
Outline Of Need: Established in 1988, Atlanta Gear Works Inc. inspects, rebuilds and re-machines critical gear boxes for various industries. To remain competitive and to grow, they needed to purchase additional machinery and equipment and refinance debt.

The Results:

The influx of funding from USDA has allowed the company to invest in equipment and become state of the art, with the ability to work on bigger and more complex gears.

Atlanta Gear Works offers custom gearing, in-place repairs and field machining of specialized gears used mainly in the pulp and paper industry but also by steel mills, power plants and the U.S. Navy.

Sales have grown from \$2.7 million in 2010 to \$7 million in 2012 with the addition of the 5 pieces of specialized equipment that was purchased with funds from USDA.



President Jack Conway demonstrates the Niles ZE1200 gear grinder, the only instrument of its kind in the Southeastern United States.

A second work shift has been added at the plant to accommodate the demand for use of the Niles. The company has added 19 machinist jobs- highly skilled labor earning \$12 to \$25 an hour.

How Rural Development Helped:

In 2010, USDA Rural Development provided an 80% Guaranteed \$4,849,000 Business and Industry Loan to Atlanta Gear Works, Inc., & partner 433 Hightower, LLC to refinance \$1,050,650 debt and purchase five additional pieces of specialized equipment.

The highly specialized Niles ZE1200 gear grinder, one of five different pieces of equipment purchased with this B&I loan, brings Atlanta Gear Works Inc. to a new level. They now attract business nationwide from a larger variety of clientele including the U.S. Corp of Engineers and the Department of the Navy.

Fast Facts

Program: Business and Industry Guaranteed Loan

Investment: \$4,849,000

Congressional District: GA—9th, Tom Graves

Partners: Community Bank of Pickens County & Southeast Lending Consultants, LLC

Demographics

Dawsonville, GA Rural Population—2,548

Impact:

- 19 Jobs created and 12 jobs saved
- Rural small business attracting national clientele
- \$4.3 million (259%) increased revenue over a 2 year period

In fact, a second work shift has been added to keep up with the demand for work orders using the Niles.

Now 31 Machinists are employed by the company, up from 12 who were on board before the loan.

Environmentally conscious and compliant, the plant implements a variety of conservation efforts, recycling oils, metals and water; “even the mop water is recycled,” said President Jack Conway.

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